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DEPARTMENT OF TRANSPORTATION

Maritime Administration

Acceptance of Applications for the Potential Award of Maritime Security Program Operating Agreements

AGENCY: Maritime Administration, Department of Transportation

ACTION: Notice of Application Period for the Maritime Security Program

SUMMARY: The Maritime Administration (MARAD) is issuing this request for applications for eligible vessels to potentially enroll in one or more MSP Operating Agreements in accordance with the provisions of the Maritime Security Act of 2003, Pub. L. 108-136, div. C, title XXXV, as amended by Section 3508 of the National Defense Authorization Act for Fiscal Year (FY) 2013, Pub. L. 112-239, (NDAA 2013). The Maritime Security Program (MSP) maintains a fleet of active, commercially-viable, privately-owned vessels to meet national defense and other security requirements and to maintain a United States presence in international commercial shipping. This request for applications provides, among other things, application criteria and a deadline for submitting applications for potential vessel enrollment in the MSP.

DATES: Applications for the potential enrollment of one or more vessels must be received no later than [30 business days after the publication date of this *Federal Register* notice].

Applications should be submitted to the address listed in the **ADDRESSES** section below.

ADDRESSES: Application forms and instructions are available by electronic mail request addressed to William.G.Mcdonald@dot.gov.

Submit applications for the enrollment of vessels in the MSP to William G. McDonald, Director, Office of Sealift Support, W25-310, U. S. Department of Transportation, Maritime Administration, 1200 New Jersey Avenue, SE, Washington, DC 20590.

FOR FURTHER INFORMATION CONTACT: William G. McDonald, Director, Office of Sealift Support, Maritime Administration, (202) 366-0688. For legal questions, call Ryan Kabacinski, Chief, Division of Maritime Programs, Maritime Administration, (202) 366-5176. For military-utility questions, call Mr. Tim Boemecke, United States Transportation Command, (618) 220-1452.

SUPPLEMENTARY INFORMATION: The NDAA 2013 extended the MSP from FY 2016 through FY 2025 and revised the associated annual MSP payment schedule. This program provides financial assistance to operators of U.S.-flag vessels that meet certain qualifications. Section 53102(a) of Title 46, United States Code, directs the Secretary of Transportation (Secretary), in consultation with the Secretary of Defense (SecDef), to establish a fleet of active, commercially-viable, militarily-useful, privately-owned vessels to meet national defense and other security requirements. Section 53111 of Title 46, United States Code, authorizes \$186 million annually for FYs 2012, 2013, 2014, 2015, 2016, 2017 and 2018; \$210 million annually for FYs 2019, 2020 and 2021; and \$222 million annually for each FY thereafter through FY 2025 to support the operation of up to 60 U.S.-flag vessels in the foreign commerce of the United States. Payment to participating operators are limited under 46 U.S.C. § 53106(a)(1) to \$3.1 million per ship, per year, through FY 2018; \$3.5 million per ship per year for FY 2019 through 2021; and \$3.7 million per ship per year for FY 2022 through 2025. Payments are subject to the availability of appropriations. Participating operators are required to make their commercial

transportation resources available upon request by SecDef during times of war or national emergency.

Application Criteria

The NDAA 2013 amended the procedures in 46 U.S.C. § 53103(c) for awarding new MSP Operating Agreements. The amended statute provides that the Secretary may enter into a new Operating Agreement with an applicant that meets the citizenship requirements of 46 U.S.C. § 53102(c), for a vessel that meets the eligibility requirements of 46 U.S.C. § 53102(b). Priority for the award of Operating Agreements under the amended 46 U.S.C. § 53103(c) shall be on the basis of vessel type established by military requirements of SecDef. The military requirements established by SecDef, through the United States Transportation Command (USTRANSCOM), are provided below. As provided by the amended statute, after consideration of military requirements, priority for the award of Operating Agreements shall be given to applicants that are United States citizens under 46 U.S.C. § 50501.

Vessel Requirements

Acceptable vessels for this MSP Operating Agreement must meet the requirements of 46 U.S.C. § 53102(b) and 46 C.F.R. § 296.11. In addition, the Commander, USTRANSCOM, has established Department of Defense general evaluation criteria on the military requirements for eligible MSP vessels. Priority consideration, consistent with the requirements of 46 U.S.C. § 53103(c), will be given to applications providing for enrollment of the following vessel types in order of priority:

1. Roll-on/Roll-off (RO/RO)
2. Tanker

3. Heavy Lift

4. Geared Containerships

5. All other vessel types will be considered after all applications for the above listed vessel types have been reviewed.

National Security Requirements

If an applicant is chosen to receive a MSP Operating Agreement the applicant will be required to enter into an Emergency Preparedness Agreement (EPA) pursuant 46 U.S.C. § 53107. The EPA shall be a document incorporating the terms of the Voluntary Intermodal Sealift Agreement (VISA), as approved by the Secretary and SecDef, or such other agreement as may be approved by the Secretaries.

Documentation

If a vessel is chosen to be the subject of an MSP Operating Agreement, and if such vessel is currently documented under a foreign register, such vessel must be documented in the United States under 46 U.S.C. Ch. 121 prior to being eligible for MSP payments. Further, proof of U.S. Coast Guard vessel documentation and all relevant charter and management agreements for the chosen vessels, if any, must be approved by MARAD before the vessel will be eligible to receive MSP payments.

Payments

If an applicant is awarded an MSP Operating Agreement, the applicant will be eligible for payments in accordance with 46 U.S.C. § 53106 and 46 C.F.R. § 296.41.

Vessel Operation

The vessels under an MSP Operating Agreement shall be operated exclusively in foreign commerce as defined in 46 U.S.C. § 53101(4) or in permissible mixed foreign commerce and domestic trade as provided by 46 U.S.C. § 53105(a)(1)(A).

U.S. Merchant Marine Academy Cadets (Midshipmen)

In the course of operation of the vessel, the MSP Operator shall agree to carry contemporaneously up to two U.S. Merchant Marine Academy midshipmen upon request.

Award

No guarantee is provided that MARAD will award any MSP Operating Agreements in response to applications submitted under this Notice. In the event that no awards are made or an application is not selected for an award, the applicant will be provided a written reason why the application was denied, consistent with the requirements of 46 U.S.C. § 53103(c).

(Authority: 49 CFR Sections 1.92 and 1.93)

By Order of the Maritime Administrator

Dated: November 23, 2015

Jay R. Gordon
Acting Secretary
Maritime Administration

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